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FM AMEMBASSY MONTEVIDEO  
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INFO RUEHMN/AMEMBASSY MONTEVIDEO  
RUEHSN/AMEMBASSY SAN SALVADOR

UNCLAS MONTEVIDEO 000730

SENSITIVE  
SIPDIS

E.O. 12958: N/A  
TAGS: [ETTC](#) [KOMC](#) [ES](#) [UY](#)  
SUBJECT: BLUE LANTERN LEVEL 2: PRE-LICENSE END-USE CHECK ON LICENSE  
050200117

REF: STATE 119092; SAN SALVADOR 1108

¶1. (SBU) Emboffs conducted ref A Blue Lantern re-license check at the main office of Glock America S.A. (Plaza Independencia 831, Montevideo) on November 30. Emboffs were received by Glock America Vice President Luiz Horta. Responses to reftel questions follow:

¶2. (SBU) Glock America was established in 2000 as a subsidiary of Glock Austria, supplying pistols and accessories to Latin American markets from Mexico through South America. The company has a formal working relationship with Glock Inc. and Glock Austria. Glock America does not have retail operations in Uruguay, but works with a distributor in the local market.

¶3. (SBU) Glock America's principal officers are: President - Brigitte Glock (daughter of Glock founder Gaston Glock), Vice President - Luis Horta, and Director - Stephan Doerler. Luis Horta is a former Major in the Brazilian special forces who claims strong ties to military and security officials throughout the Latin America and elsewhere.

¶4. (SBU) According to Horta, Glock America's annual sales are about 30,000 units (approximately \$12 million), although due to close ties with Glock Austria not all transactions are recorded on Glock America's books. Primary customers include: Ministries of Defense, Ministries of Interior and authorized representatives in each country. Horta says Glock America does not work with brokers. Glock America is licensed by the Uruguayan Ministry of Defense to import weapons to Uruguay, but generally weapons are shipped directly from the manufacturing location (Austria) to the purchasing country. Horta stated that Glock America facilitates the necessary import/export and end-use licensing paperwork issues and get all appropriate authorizations to sell to different markets in the region. Ultimately the end-user has to prove that they have the required import permit or end-user certificate before the sale is concluded. Horta stated that payment is either made to Glock America directly or to Glock Austria which compensates them after receiving full payment.

¶5. (SBU) Regarding purchase order No. 01/2009, Horta said that COSASE placed their purchase order with his company, Glock America S.A., which is Glock's authorized sales agent for El Salvador. Horta said that COSASE first purchased from Glock America in 2007 and that this would be their third sale to them, each time purchasing a similar number of handguns. Shipments to El Salvador usually come directly from Austria. However, Horta indicated that Glock Inc. in the U.S. had recently begun manufacture weapons at its plant in Smyrna, Georgia and Glock America was assessing the possibility of sourcing some South America purchases from the U.S.

instead of Austria. Glock America had not finalized sourcing for the weapons for COSASE, but filed export/import and transit paperwork for both options - weapons produced in Smyrna or weapons produced in Austria and shipped through Miami. The pistols would not be shipped through Uruguay. Horta is aware that U.S. sources weapons still require licensing from Austria and is using this purchase to work through the paperwork requirements that will be needed in future transactions. COSASE will pay by wire transfer or in cash to Glock Austria or Glock Inc. Horta said that the transaction was for 210 pistols and that the total sales amount was approximately \$80,000, but the purchase order listed a price of \$0 pending final invoice that would be determined when final sourcing was established. NOTE: Subsequent to our meeting, Horta called Emboffs to say his attorneys had informed him the export license from the U.S. for the COSASE purchase had been denied. Horta intends to complete the transaction with weapons manufactured and shipped from Austria and will work with U.S. authorities to ensure future applications are handled in accordance with requirements. END NOTE.

¶6. (SBU) Horta said he is aware of both the regulations governing the import of U.S.-origin defense articles, and the restrictions on re-transfer and re-export.

¶7. (SBU) Embassy Commercial Assistant contacted Coronel Ruben Rodriguez, National Weapons Registry Division Chief to make

inquiries on Glock America S.A. Rodriguez confirmed that Glock America S.A. is legally permitted to import and sell firearms in Uruguay as well as to broker the sales of firearms to other countries. Rodriguez indicated that his office does not have any information that would question Glock America S.A. as a recipient of U.S. defense articles.

¶8. (SBU) COMMENT: Glock America is well-known, established and respected Uruguayan company. The transaction with COSASE appears legitimate and part of their regular business. Post assesses that paperwork irregularities may be a result of this being Glock America's first attempt to purchase Glock pistols manufactured in the U.S. Horta seems to understand the steps and licensing required for future transactions.  
MATTHEWMAN